

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

| | | |
|---------------------------------|---|------------------|
| In the Matter of the Protest of |) | |
| |) | DOCKET NO. 16681 |
| [Redacted], |) | |
| |) | DECISION |
| Petitioners. |) | |
| _____ |) | |

On June 21, 2002, the Tax Discovery Bureau of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (taxpayers), proposing income tax, penalty and interest for the years 1998 and 1999 in the total amount of \$18,531.

The taxpayers did not file a protest and petition for redetermination. The Tax Enforcement Specialist (specialist) assumed the taxpayers intended to protest their 1998 NOD because they had filed their 1999 income tax return using the Commission's forms. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NOD.

The taxpayers sent in "Legal Notices" that stated they didn't have any income that was taxable. The specialist sent a letter to the taxpayers indicating the documents they sent could not be accepted as income tax returns. The taxpayers did not respond to the letter, so a NOD was issued for tax years 1998 and 1999 based on the information in the taxpayers' "Legal Notices."

The taxpayers filed an amended return for 1997 and returns for 1999 through 2001. A letter was sent to the taxpayers requesting their 1998 income tax return. Taxpayers did not respond so a follow-up letter was sent. The taxpayers did not respond to this letter either.

The specialist informed the taxpayers that the Commission had determined that the NOD should be canceled for tax year 1999 only. Tax year 1999 will not be addressed any further in this decision.

The specialist sent the taxpayers a letter to inform them that their file had been transferred to the Commission's Legal/Tax Policy division for further consideration.

On October 8, 2002, the Tax Policy Specialist (policy specialist) sent the taxpayers a hearing rights letter to inform them of their alternatives for redetermining a protested NOD. A follow-up letter was sent to the taxpayers on November 20, 2002. The follow-up letter was returned on December 3, 2002, marked "not deliverable" and was resent to a new address.

On December 6, 2002, [Redacted] called the policy specialist to find out what issues had not been resolved in their case. The policy specialist informed her that they had not filed a valid return for the 1998 tax year. She told the policy specialist that they would have their accountant prepare their 1998 income tax return and send it to the Commission. A review of the Commission's records and the taxpayers' file shows the taxpayers have not filed their 1998 income tax return.

The taxpayers have not provided the Commission with a contrary result to the determination of their income [Redacted] Therefore, the Commission must uphold the deficiency as modified.

WHEREFORE, the Notice of Deficiency Determination dated June 21, 2002, as MODIFIED, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty and interest:

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------|----------------|-----------------|--------------|
| 1998 | \$2,970 | \$743 | \$911 | \$4,624 |

Interest is computed through July 12, 2003.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayers' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2003.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2003, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.
